



1 FINANCE AND ADMINISTRATION CABINET

2 Department of Revenue

3 (Amendment)

4 103 KAR 16:240. Nexus standard for corporations and pass-through entities.~~[general partnerships.]~~

5 RELATES TO: KRS 141.010, 141.040, 141.206.

6 STATUTORY AUTHORITY: KRS 131.130, 141.018, 141.050(4)

7 NECESSITY, FUNCTION, AND CONFORMITY: KRS 141.040(1) requires non-exempt corporations
8 doing business in Kentucky to pay corporation income tax and file the required tax forms for that tax. KRS
9 141.206 requires pass-through entities~~[general partnerships]~~ doing business in Kentucky to file tax forms
10 to compute the distribution of income to the partners, members or shareholders.~~[general partners.]~~ KRS
11 131.130(1) authorizes the Department of Revenue to promulgate administrative regulations for the
12 administration and enforcement of Kentucky's tax laws. KRS 141.018 requires the Department of Revenue
13 to promulgate administrative regulations necessary to implement 2005 Ky. Acts ch. 168. KRS 141.010(25)
14 defines "doing business in this state". This administrative regulation establishes what constitutes nexus in
15 Kentucky under a doing business standard and provides examples.

16 Section 1. Definitions. (1) "Business situs" means in relation to intangible personal property:

17 (a) The corporation's or pass-through entity's~~[general partnership's]~~ commercial domicile;

18 (b) The place where the intangible personal property is utilized by the corporation or pass-through entity
19 ~~[general partnership]~~; or

20 (c) The state where the intangible personal property is located if possession and control of the intangible
21 personal property is localized in connection with a trade or business so that substantial use or value attaches
22 to the property.

(2) "Commercial domicile" means the principal place from which the trade or business of the corporation or pass-through entity~~[general partnerships]~~ is managed.

(3) "Corporation" is defined by KRS 141.010(24).

(4) "Doing business in this state" is defined by KRS 141.010(25).

(5) "Foreign corporation" means a corporation incorporated or formed under the authority of another state or country.

(6) "Foreign pass-through entity~~[general partnerships]~~" means a pass-through entity~~[general partnerships]~~ organized under the laws of another state or country.

(7) "Pass-through entity~~[General partnerships]~~" is defined by KRS 141.010(26)~~[141.206(1)(a)]~~.

(8) "Owning or leasing property in this state" means owning or leasing real or tangible personal property in Kentucky, including:

(a) Maintaining an office or other place of business in Kentucky;

(b) Maintaining in Kentucky an inventory of merchandise or material for sale, distribution or manufacture, or consigned goods, regardless of whether kept on the taxpayer's premises, in a public or rented warehouse, or otherwise; or

(c) Owning computer software used in the business of a third party within Kentucky.

(9) "Qualified real estate investment trust subsidiary" is defined by Section 856(i)(2) of the Internal Revenue Code, 26 U.S.C. 856(i)(2).

(10) "Qualified subchapter S subsidiary" is defined by Section 1361(b)(3)(B) of the Internal Revenue Code, 26 U.S.C. 1361(b)(3)(B).

(11) "Related corporation" means a corporation in which another corporation or pass-through entity~~[general partnerships]~~ maintains an ownership interest of fifty (50) percent or more during any portion of the taxable year.

(12) "Single member limited liability company" means a limited liability company with one (1) member.

Section 2. In General; Rules of Construction. (1) For purposes of the corporation income tax imposed by KRS 141.040(1) and the filing requirement imposed on pass-through entities~~[general partnerships]~~ by

1 KRS 141.206(2), the term "doing business in this state" or "doing business" shall be used in a
2 comprehensive sense concerning the operation of any profit-seeking enterprise or activity in Kentucky.

3 (2) In determining if a corporation or pass-through entity~~[general partnership]~~ is doing business in
4 Kentucky, it shall be immaterial whether the activities actually result in a profit or loss.

5 (3) Whether a corporation or pass-through entity~~[general partnership]~~ is doing business in Kentucky
6 shall be determined by the facts in each case.

7 (4) Whether the activities of a foreign corporation or pass-through entity~~[general partnership]~~ fall within
8 the scope of "solicitation" within the meaning of Pub.L. 86-272, codified as 15 U.S.C. 381 to 384, shall be
9 a factual determination. The examples in Sections 3 and 4 of this administrative regulation shall be used as
10 guidelines. In applying the guidelines to the particular circumstances and activities of a foreign corporation
11 or pass-through entity~~[general partnership]~~, the Department of Revenue shall employ the following rules
12 of construction:

13 (a) The effect of the activities listed in Sections 3 and 4 of this administrative regulation shall be
14 cumulative. In determining whether a taxpayer is doing business in Kentucky, all of these activities shall
15 be considered as a whole.

16 (b) If the Department of Revenue determines that a taxpayer is doing business in Kentucky, the taxpayer
17 shall carry the burden of substantiating any claim that these activities in Kentucky do not constitute doing
18 business under either Pub.L. 86-272, codified as 15 U.S.C. 381 to 384, or the United States Constitution.

19 (c) Documentary evidence shall be given substantial weight in establishing the nature and extent of the
20 taxpayer's activities. Affidavits or other evidence not contemporaneous with the events in question shall be
21 given little weight.

22 (d) The term "solicitation" shall include only actual requests for purchases and activities that are entirely
23 ancillary to requests for purchases. An activity shall be considered entirely ancillary to the requesting of
24 purchases if it serves no independent business purpose apart from its connection to the soliciting of orders.

25 (e) Activities conducted by a foreign corporation or pass-through entity~~[general partnership]~~ with
26 respect to a particular order shall not constitute "solicitation" if the activity occurs after the order has been

1 placed.

2 Section 3. Exception for Solicitation Activities Protected by Pub.L. 86-272, codified as 15 U.S.C. 381
3 to 384. (1) General; preemption of state law. This administrative regulation adopts a narrow interpretation
4 of the immunity afforded by Pub.L. 86-272, codified as 15 U.S.C. 381 to 384, which precludes the
5 imposition of Kentucky income tax upon a foreign corporation, or the filing requirement imposed on foreign
6 pass-through entity~~[general partnerships]~~, if the corporation's or pass-through entity's~~[general partnership]~~
7 sole activity in Kentucky is the corporation's or pass-through entity's~~[general partnership's]~~ representatives
8 soliciting orders for the sale of tangible personal property in the name of the corporation or pass-through
9 entity~~[general partnership]~~ or in the name of a prospective customer if the orders are:

10 (a) Sent outside of Kentucky for approval or rejection; and

11 (b) Filled by shipment or delivery from a point outside of Kentucky.

12 (2) Scope of Pub.L. 86-272, codified as 15 U.S.C. 381 to 384.

13 (a) If a corporation or pass-through entity~~[general partnership]~~ engages both in protected solicitation
14 activities and in any other activity that is not a protected solicitation activity, it shall not claim the immunity
15 granted by Pub.L. 86-272, codified as 15 U.S.C. 381 to 384.

16 (b) Solicitation of orders shall not be protected by Pub.L. 86-272, codified as 15 U.S.C. 381 to 384, if
17 the solicitation is for the:

18 1. Sale or provision of services; or

19 2. Sale, lease, rental, license or other disposition of real property or intangibles.

20 (3) Activities normally considered to be solicitation. The activities listed in this subsection shall serve
21 as examples of activities that ordinarily fall within the scope of "solicitation" under Pub.L. 86-272, codified
22 as 15 U.S.C. §§ 381 to 384:

23 (a) Soliciting orders through advertising;

24 (b) Carrying samples and promotional materials only for display or distribution without charge or other
25 consideration;

26 (c) Soliciting orders by an in-state resident employee or representative of the company, if that person

1 does not maintain or use any office or other place of business in the state other than an "in-home" office as
2 described in subsection (4) of this section;

3 (d) Furnishing and setting up display racks and advising customers on the display of the company's
4 products without charge or other consideration;

5 (e) Checking customer inventories for reorder without a charge therefore, but not for other purposes
6 such as quality control;

7 (f) Recruiting, training or evaluating sales personnel, including occasionally using homes, hotels or
8 similar places for meetings with sales personnel;

9 (g) Conducting solicitation activities from an employee's in-home work space, if the use of the space is
10 not paid for by the company;

11 (h) Performing missionary sales activities, including the solicitation of indirect customers for the
12 company's goods. For example, a manufacturer's solicitation of retailers to buy the manufacturer's goods
13 from the manufacturer's wholesale customers would be protected if the solicitation activities are otherwise
14 immune;

15 (i) Coordinating shipment or delivery without payment or other consideration and providing information
16 relating thereto either prior or subsequent to the placement of an order;

17 (j) Maintaining a sample or display area for an aggregate of fourteen (14) calendar days or less at any
18 one (1) location within Kentucky during the tax year, if no other activities inconsistent with solicitation
19 take place;

20 (k) Mediating direct customer complaints if the purposes are solely to ingratiate sales personnel with
21 the customer and facilitate requests for orders;

22 (l) Passing orders, inquiries and complaints on to the home office;

23 (m) Providing automobiles to sales personnel for use solely in solicitation activities; and

24 (n) Owning, leasing, using or maintaining personal property for use in the employee or representative's
25 "in-home" office or automobile that is solely limited to the conducting of solicitation activities. The use of
26 personal property such as a cellular telephone, facsimile machine, duplicating equipment, personal

1 computer or computer software that is limited to the carrying on of protected solicitation and activity
2 entirely ancillary to solicitation or permitted by this Section shall not, by itself, remove the protection.

3 (4) Activities that are not solicitation. The activities listed in this subsection shall serve as examples of
4 activities in this state that fall outside the scope of "solicitation" and are not protected by Pub.L. 86-272,
5 codified as 15 U.S.C. 381 to 384 unless the activity is de minimis within the meaning of Wisconsin Dept.
6 of Revenue v. William Wrigley, Jr., Co., 112 S.Ct. 2447 (1992):

7 (a) Making repairs or providing maintenance or service to the property sold or to be sold;

8 (b) Installing or supervising installation at or after shipment or delivery;

9 (c) Collecting current or delinquent accounts, whether directly or by third parties, through assignment
10 or otherwise;

11 (d) Investigating credit;

12 (e) Repossessing property;

13 (f) Conducting training courses, seminars or lectures for personnel other than personnel involved only
14 in solicitation;

15 (g) Investigating, handling, or otherwise assisting in resolving customer complaints, other than
16 mediating direct customer complaints if the sole purpose of the mediation is to ingratiate the sales personnel
17 with the customer;

18 (h) Approving or accepting orders;

19 (i) Securing deposits on sales;

20 (j) Picking up or replacing damaged or returned property, including stale or unsaleable property;

21 (k) Maintaining a sample or display area for an aggregate of fifteen (15) days or more at any one location
22 within Kentucky during the tax year;

23 (l) Providing technical assistance or service, including engineering assistance or design service, if one
24 (1) of the purposes of it is other than the facilitation of the solicitation of orders;

25 (m) Hiring, training or supervising personnel for other than solicitation activities;

26 (n) Using agency stock checks or any other instrument or process by which sales are made within this

1 state by sales personnel;

2 (o) Carrying samples for sale, exchange or distribution in any manner for consideration or other value;

3 (p) Providing shipping information and coordinating deliveries;

4 (q) Supervising the operations of a franchisee or similar party;

5 (r) Monitoring, inspecting, or approving work performed by an independent contractor under a warranty
6 or similar contractual arrangement;

7 (s) Consigning stock of goods or other tangible personal property for sale to any person, including an
8 independent contractor;

9 (t) Fulfilling sales orders by shipment or delivery from a point within Kentucky;

10 (u) Owning, leasing, maintaining or otherwise using as part of the business operations in Kentucky any
11 of the following facilities or property:

12 1. Repair shop;

13 2. Parts department;

14 3. Warehouse;

15 4. Meeting place for directors, officers, or employees;

16 5. Stock of goods other than samples for sales personnel or that are used entirely ancillary to solicitation;

17 or

18 6. Telephone answering service that is publicly attributed to the company or to an employee or agent of
19 the company in their representative status;

20 (v) Maintaining, by any employee or other representative, an office or place of business of any kind

21 other than an in-home office. For the purpose of this subsection it shall not be relevant whether the company
22 pays directly, indirectly, or not at all for the cost of maintaining the in-home office. An office shall be
23 considered in-home if it is located within the residence of the employee or representative, and:

24 1. Is not publicly attributed to the company or to the employee or representative of the company in an
25 employee or representative capacity. Factors considered in determining if an office is publicly attributed to

1 the company or to the employee or representative of the company in an employee or representative capacity
2 shall include:

3 a. A telephone listing or other public listing within the state for the company, or for an employee or
4 representative of the company in that capacity, or other indications through advertising or business literature
5 that the company or its employee or representative can be contacted at a specific address within the state;

6 b. The normal distribution and use of business cards and stationery identifying the employee's or
7 representative's name, address, telephone and fax numbers, and affiliation with the company shall not, by
8 itself, be considered as advertising or otherwise publicly attributing an office to the company or its
9 employee or representative; or

10 c. The maintenance of any office or other place of business in this state that does not strictly qualify as
11 an "in-home" office as described in this paragraph shall, by itself, cause the loss of protection under this
12 subsection;

13 2. The use of the office is limited to: soliciting and receiving orders from customers; for transmitting
14 orders outside the state for acceptance or rejection by the company; or for other activities that are protected
15 under Pub.L. 86-272, codified as 15 U.S.C.A. 381 to 384 or under this administrative regulation;

16 (w) Entering into franchising or licensing agreements, selling or otherwise disposing of franchises and
17 licenses, or selling or otherwise transferring tangible personal property pursuant to the franchise or license
18 by the franchisor or licensor to its franchisee or licensee within the state; or

19 (x) Conducting any other activity which is not entirely ancillary to the solicitation of orders, even if the
20 activity helps to increase purchases.

21 Section 4. "Doing Business". An analysis to determine if a corporation or pass-through entity's[~~general~~
22 ~~partnership~~] activities fall within the provisions of KRS 141.010(25) shall include the factors established
23 in this section.

24 (1) The activities listed in this subsection shall serve as examples of "doing business" under KRS
25 141.010(25)(f):

26 (a) Performing services in Kentucky, whether directly by the corporation or pass-through entity[~~general~~

1 ~~partnership~~] or indirectly by directing activity performed by a third party;

2 (b) Accepting orders in Kentucky;

3 (c) Operating a professional sports team which engages in professional sports activities in Kentucky;

4 (d) Owning an interest in mineral rights in Kentucky, including interests in coal, oil, or natural gas;

5 (e) Leasing motion picture films to movie theaters and television stations in Kentucky;

6 (f) Being the member of a single member limited liability company that is doing business in Kentucky
7 and is disregarded for federal income tax purposes;

8 (g) Being a partner in a pass-through entity~~[general partnership]~~ doing business in Kentucky; or

9 (h) Receiving income from intangible personal property if the intangible personal property has acquired
10 a Kentucky business situs.

11 (2) The activities listed in this subsection shall serve as examples of "doing business" under KRS
12 141.010(25)(g):

13 (a) Performing or soliciting orders for services in Kentucky, including those services performed in
14 Kentucky by a third party on behalf of a corporation or pass-through entity~~[general partnership]~~;

15 (b) Selling or soliciting orders for real property;

16 (c) Selling or soliciting orders for intangible personal property;

17 (d) Selling tangible personal property; or

18 (e) Delivering merchandise inventory on consignment to its Kentucky distributors or dealers.

19 (3) A corporation or pass-through entity~~[general partnership]~~ may be considered doing business under
20 KRS 141.010(25)(d) without having employees in Kentucky. If activities are performed in Kentucky by a

21 third party on behalf of the corporation or pass-through entity~~[general partnership]~~, the corporation or pass-
22 through entity~~[general partnership]~~ shall be considered doing business in Kentucky.

23 (4)(a) General.

24 1. The activities in this paragraph shall not, in themselves, subject a corporation to Kentucky corporation
25 income tax or a pass-through entity~~[general partnership]~~ to a Kentucky filing requirement.

26 2. These exempted activities shall not relieve a corporation from Kentucky corporation income tax if

1 the corporation is otherwise subject to Kentucky corporation income tax and shall not relieve a pass-through
2 entity[general partnership] from a Kentucky income tax filing requirement if the pass-through
3 entity[general partnership] is otherwise required to file a Kentucky return.

4 3. Mere ownership of a corporation that is doing business in Kentucky shall not subject the owner to
5 the requirements. However, based on additional facts and circumstances, sufficient contacts with Kentucky
6 may exist to establish that the corporation or pass-through entity[general partnership] is doing business in
7 Kentucky. The activities listed in this subparagraph shall serve as examples of facts and circumstances that
8 establish that the corporation or pass-through entity[general partnership] is doing business in Kentucky:

9 a. Being the parent corporation of a qualified real estate investment trust subsidiary that is doing
10 business in Kentucky;

11 b. Being the parent corporation of a qualified subchapter s subsidiary that is doing business in Kentucky;

12 c. Being the member of a single member limited liability company that is doing business in Kentucky
13 and is disregarded for federal income tax purposes;

14 d. Being a related corporation doing business in Kentucky which is performing activities as the
15 corporation's or pass-through entity's[general partnership's] agent in Kentucky;

16 e. Receiving income from a contract between a corporation or pass-through entity[general partnership]
17 and a related corporation doing business in Kentucky if the income is derived from the related corporation's
18 activities in Kentucky;

19 f. Being a corporation that is essentially a shell corporation, or other facts indicate that an independent
20 corporate existence is essentially disregarded; or

21 g. Entering into franchising or licensing agreements and receiving income from franchising or licensing
22 agreements that have acquired a Kentucky business situs.

23 (b) Employee or independent agent activity. A foreign corporation or pass-through entity[general
24 partnership] that is not otherwise doing business in Kentucky may be considered to not be doing business
25 in Kentucky, even if its employees or independent agents are performing certain de minimis activities in
26 Kentucky. The following items shall serve as examples of de minimis activities:

1 1. A foreign corporation or pass-through entity~~[general partnership]~~ sending various employees, e.g.,
2 legal staff and witnesses, to assist its independent legal counsel in defending a lawsuit in Kentucky. The
3 law firm providing counsel shall be taxable in Kentucky;

4 2. A foreign corporation or pass-through entity~~[general partnership]~~ sending its employees to Kentucky
5 to purchase raw materials and inventory;

6 3. A foreign corporation or pass-through entity~~[general partnership]~~ giving its highest performing sales
7 person an expense paid vacation to Lake Barkley, Kentucky; or

8 4. A foreign corporation or pass-through entity~~[general partnership]~~ sending its business records to
9 Kentucky for use by its independent auditors.

10 Section 5. This administrative regulation shall apply to taxable years beginning on or after January 1,
11 2005.

103 KAR 16:240

APPROVED BY AGENCY:

Daniel Bork
DANIEL P. BORK, COMMISSIONER
Department of Revenue
Finance and Administration Cabinet

Oct 6, 2017
Date

PUBLIC HEARING AND PUBLIC COMMENT PERIOD

A public hearing on this administrative regulation shall be held on November 28, 2017, at 1:00 p.m. in Room 11A, State Office Building, Frankfort KY 40601. Individuals interested in being heard at this hearing shall notify this agency in writing by five (5) workdays prior to the hearing, of their intent to attend. If no notification of intent to attend the hearing is received by that date, the hearing may be cancelled. This hearing is open to the public. Any person who wishes to be heard will be given an opportunity to comment on the proposed administrative regulation. A transcript of the public hearing will not be made unless a written request for a transcript is made. If you do not wish to be heard at the public hearing, you may submit written comments on the proposed administrative regulation. Written comments shall be accepted through November 30, 2017. Send written notification of intent to be heard at the public hearing or written comments on the proposed administrative regulation to the contact person.

CONTACT PERSON: Lisa Swiger, Tax Policy Research Consultant, Department of Revenue, 501 High Street, Station 1, Frankfort, Kentucky, 40601, (502) 564-9526 (telephone), (502) 564-3875(fax), Lisa.Swiger@ky.gov(email).

REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

Regulation No. 103 KAR 16:240

Contact Person: Lisa Swiger
Phone Number: (502) 564-9526
Email: Lisa.Swiger@ky.gov

(1) Provide a brief summary of:

(a) What this administrative regulation does: This administrative regulation updates the terminology of the regulation to match KRS 141.206. In tax years 2005 & 2006 ordinary pass-through entities (s-corporations, and LLCs) were taxed at the entity level as though they were corporations, therefore for those years the only pass-through entity that Kentucky recognized for tax purposes was a general partnership. However, after tax modernization, ordinary pass-through entities (s-corporations, and LLCs) were once again taxed as pass-through entities. The language in 103 KAR 16:240 was never updated after the definition of a pass-through entity was changed in KRS 141.206 in 2006, and as such continues to refer to nexus standards for “general partnerships,” but should actually state “pass-through entity”.

(b) The necessity of this administrative regulation: The term “general partnership” as it is currently used in 103 KAR 16:240 was only effective for tax years 2005-2006. The definition was changed in KRS 141.206 in 2006 during tax modernization. The term “pass-through entity” is the correct term to use for tax years 2007 forward.

(c) How this administrative regulation conforms to the content of the authorizing statutes: This administrative regulation conforms by updating the outdated language to the correct definition for tax years 2007 forward.

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: It will update the language/terminology to be consistent with the authorizing statute, KRS 141.206.

(2) If this is an amendment to an existing administrative regulation, provide a brief summary of:

(a) How the amendment will change this existing administrative regulation: This administrative regulation updates the out-of-date language of “general partnership” to “pass-through entity”; and “general partners” to “partners, members or shareholders” which was never changed after the definition of a pass-through entity was changed in KRS 141.206 in 2006.

(b) The necessity of the amendment to this administrative regulation: It is needed to update incorrect use of out-of-date terminology and corrects them to be consistent with the authorizing statute, KRS 141.206.

(c) How the amendment conforms to the content of the authorizing statutes: It will update the language/terminology to be consistent with the authorizing statute, KRS 141.206.

(d) How the amendment will assist in the effective administration of the statutes: It will reduce confusion by eliminating use of incorrect terms.

(3) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation: There are approximately 62,000 S-

corporations, 48,000 multi-member LLCs, and 33,000 single member LLCs that would benefit from a correction of the terminology in the regulation to be in-line with the statute.

(4) Provide an analysis of how the entities identified in question (3) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:

(a) List the actions that each of the regulated entities identified in question (3) will have to take to comply with this administrative regulation or amendment: None

(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (3): No cost to any entity.

(c) As a result of compliance, what benefits will accrue to the entities identified in question (3): Less confusion once the regulation language is consistent with the statutory language.

(5) Provide an estimate of how much it will cost the administrative body to implement this administrative regulation:

(a) Initially: Current budget funding and staff will implement this amendment.

(b) On a continuing basis: None.

(6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation: Current departmental staff and funding.

(7) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment: No increase in fees or funding is needed to implement this administrative regulation.

(8) State whether or not this administrative regulation established any fees or directly or indirectly increased any fees: No fees were established with this amendment.

(9) TIERING: Is tiering applied? (Explain why or why not) Tiering is not applied. All taxpayers required to file forms regarding the taxes affected by this regulation will all be treated the same.

FISCAL NOTE ON STATE OR LOCAL GOVERNMENT

Regulation No. 103 KAR 16:240

Contact Person: Lisa Swiger

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Email: Lisa.Swiger@ky.gov

1. What units, parts or divisions of state or local government (including cities, counties, fire departments, or school districts) will be impacted by this administrative regulation? No government offices will be impacted. The department has already adjusted forms and instructions for this change back in 2006.

2. Identify each state or federal statute or federal regulation that requires or authorizes the action taken by the administrative regulation. KRS 141.206 & KRS 141.010

3. Estimate the effect of this administrative regulation on the expenditures and revenues of a state or local government agency (including cities, counties, fire departments, or school districts) for the first full year the administrative regulation is to be in effect.

(a) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for the first year? None.

(b) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for subsequent years? None.

(c) How much will it cost to administer this program for the first year? No additional costs will be incurred in the first year of this regulation being in effect.

(d) How much will it cost to administer this program for subsequent years? No additional costs will be incurred in subsequent years.

Note: If specific dollar estimates cannot be determined, provide a brief narrative to explain the fiscal impact of the administrative regulation.

Revenues (+/-): \$0

Expenditures (+/-): \$0

Other Explanation:
